

CHAPTER V

OLD FAILURE AND NEW COURSE (1953)

185 178 654 1. *The System in Crisis*

The year 1953 constituted a major turning point in the development of agricultural policy throughout the Soviet sphere. Repercussions were felt from the most remote *kolkhoz* in Siberia to the most backward mountain farm in Albania. For the first time since 1928, when the initial Communist collectivization drive was launched, the powerful Communist mechanism for intensifying exploitation of the peasantry was halted and a period of concession, retrenchment, and cautious retreat was ushered in.

Unlike previous pauses in the Communist offensive against the peasantry — in 1930, 1935, and 1941-5 — the 1953 "readjustment" was accompanied by a revaluation of the entire relationship between agrarian policy and industrial expansion. The 1930 Stalin "Dizziness With Success" speech signified only a temporary pause in the first Five Year Plan; the 1935 decree enlarging private household plots represented only a slight reorganization of the still fluid *kolkhoz* structure; and the relaxation of 1941-45 was due largely to the special exigencies of World War II. None of the concessions made during these periods (with the possible exception of the war-time years) were as broad in scope as those of 1953; and none were offered as an integral part of a concern for mounting disproportions afflicting the entire economic life.

The elaboration of post-Stalin agricultural policies serves not merely as a climax to the indictment of the Communist land program, but as a sharp cleavage in the history of collectivization through which its inner character might be most acutely analyzed. This study has therefore, drawn heavily upon the flood of frank speeches made by Communist leaders in the second half of 1953. Their candor, like the correspondence which attended the Tito-Stalin

dispute in 1948, illumine areas of conflict and difficulty hitherto only guessed at. 185
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The causes of agricultural retrenchment were various and a full exploration of them is not appropriate here. But from the multiplicity of probable causes, two basic facts may be singled out: First, the political readjustment which took place following Stalin's death brought about a number of organic changes in the Communist movement. The precise nature of the changes generated by the sudden loss of Stalin is little known, and even less understood; but clearly they had very important social and economic implications. Some of the most oppressive and aggressive features of Communism, feasible when Stalin was at the helm, were evidently not feasible when in the hands of a "collective leadership." Stalinist policies had resulted in the growing economic disproportions described above: the hysterical drive for industrialization, the steady decline of the standard of living, and the stagnation of agriculture, conditions which may be considered the secondary causes of the New Course, insofar as the death of Stalin made it imperative that drastic steps be taken to alter them. 656

To the very eve of the New Course in 1953, the traditional Stalinist agricultural offensive was in full swing. Indeed, in Czechoslovakia, Hungary, and especially in Poland, collectivization drives were reaching their greatest pitch in the spring of 1953. The slogan, "liquidation of the kulaks," was generally accepted, and the entire peasantry subjected to ceaseless harassment. In the Soviet Union the decline of livestock population between 1950 and 1953 reflected the harsh spirit of the last years of Stalin's life. The basic measure of success was heavy industrial production; the keynote was the increasing obedience and discipline demanded at the 19th Party Congress; and the tone was set by the Slansky trial in Prague at the end of 1952, and the arrest of the Kremlin doctors in Moscow at the beginning of 1953.

The New Course therefore represented a sudden break in the rising curve revealed by these events. Between Stalin's death in March and Imre Nagy's astounding New Course address in Hungary in July, the governments of almost every Communist country made various minor concessions which presaged the more drastic

¹ For a detailed exposition of the events of 1953 leading up to promulgation of the New Course, together with an analysis of current trends, see "New Policies in the Soviet Sphere" (Free Europe Press: New York, November 1953).

185 reforms to come. Amnesties were declared in Soviet Russia and
 178 Romania, the imprisoned American correspondent, William Oatis,
 656 was released in Czechoslovakia, the aggressive anti-Tito line of the
 preceding years was modified everywhere, and in East Germany
 reforms were announced which, because they communicated regime
 indecision to the people, touched off the famous June 17th revolt.
 This revolt, and an earlier, perhaps more significant one in
 Czechoslovakia, seem only to have accelerated the pace of change
 in the sphere. By October 1953 New Course policies had been an-
 nounced by all of the Communist countries (with the exception,
 of course, of China). "We must note, and we must state frankly
 before the whole country," said the new Hungarian Premier Imre
 Nagy, "that the objectives of the augmented Five Year Plan are
 beyond our strength". "We must adopt . . . a considerably reduced
 tempo of industrialization which will enable us to step up output
 of consumer goods and ensure a still greater development of agri-
 culture," the Bulgarian Premier Vulko Chervenkov said on Septem-
 ber 8th. "It has become clear," said Czechoslovak Premier Viliam
 Siroky on September 15th, "that certain targets of the extended
 Five-Year Plan for heavy industry were too high."⁴

The agricultural policy pattern that emerged in the middle
 of 1953 varied from one country of the Soviet sphere to the next.
 Yet everywhere, with the possible exception of Hungary, where
 the crisis assumed a special severity, the new policies were essen-
 tially the same. Polish Premier Bierut explained in his New Course
 address in October that it was:

. . . no mere coincidence that the . . . problem of what the
 emphasis of our future economic development should be . . . has
 appeared today with equal force and timeliness in all countries of
 the Socialist camp.

These similarities in pace and timing, he explained, arise,
 not only from the identical character of social changes taking place
 in these countries but also from the basic similarity - in spite of
 certain differences - in the class structure of the countries which
 are engaged in Socialist construction.⁵

The "social changes" of which Bierut spoke were the growing
 economic disproportions, the vast expansion of an industrial plant
 at the expense of living standards and agricultural prosperity. The

² *Szabad Nep* (Budapest), July 5, 1953.

³ *Rabotnichesko Delo* (Sofia), September 9, 1953.

⁴ *Rude Pravo* (Prague), September 18, 1953.

⁵ Quoted by S. Jedrychowski, *Nowe Drogi* (Warsaw), No. 10, 1953.

"problem" the New Course had to grapple with, as Bierut stated 178
 it, was to determine "what the emphasis of our future economic 185
 development should be." Clearly the "problem" could only be 656
 solved by modifying past emphases, and this meant, first of all, a
 new policy toward agriculture.

In Bulgaria, where over half the land is in the "Socialist sector,"
 the New Course has had the least impact; in East Germany, on the
 other hand, where capitalist elements are still plentiful, the post-
 Stalin reorientation had its most pronounced effect. In Poland,
 where collectivization had proceeded very slowly and cautiously
 up to 1953, the New Course signified only an abrupt halt in the land
 offensive, but little retreat. In Romania, where collectivization had
 also been modest in scope, the reforms were broader, producing a
 plethora of decrees and resolutions. In Czechoslovakia and Hun-
 gary, where the pace of collectivization had been rapid and stormy,
 the New Course brought about a reversal of the aggressive policies,
 a sharp reversal in Hungary, a slighter one in Czechoslovakia.

The national variations were great; but the basic features of
 the New Course were areawide:

1. An attempt is being made to increase the proportion of
 national resources allotted to agriculture. "We must teach our
 people," said Polish theoretician Jacob Berman, "after this long
 period of concentration on heavy industry, to achieve a balance
 between heavy and light industry."* The State budgets for the year
 1954 announced in Bulgaria, Czechoslovakia and Hungary reflected
 this shift in emphasis.

2. The effort to increase the agricultural produce available
 to the cities by further peasant exploitation has been halted.
 Greater emphasis is to be placed upon the use of material incen-
 tives, rather than on administrative pressure, in increasing total
 agricultural yield. "We must," said Berman, "put on the market
 goods which the peasant is interested in purchasing," since, as he
 explained, the increased supply of goods for the cities was to be
 partially the result of an "increased supply of consumer goods to
 the countryside."

* *Trybuna Ludu* (Warsaw), November 8, 1953.

† In Hungary, for example, the 1954 State budget plans for doubling the pro-
 portion of total investment allocated to agriculture (Report of Bela Szalai to
 the Hungarian National Assembly, January 22, 1954). Elsewhere, the increase
 is more modest but nevertheless significant.

‡ *Trybuna Ludu* (Warsaw), November 8, 1953.

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3. Consequently, the policy of collectivization, designed to insure a steady supply of goods to the cities without much payment in return, loses a large part of its meaning, and the collectivization drive itself is halted. While it is true that collectivized farming is still officially considered the highest form of agrarian organization,⁹ the revised economic plans of the Satellite regimes do not intend appreciable extension of the "Socialist sector." Indeed, the goal of increasing the standard of living precludes, for some time, the resumption of any Communist land offensive.

4. Similarly, the New Course has made something of an anomaly of the traditional practices of the Communist land offensive: the division of the peasantry into antagonistic groups, the discrimination against the independent peasantry as a whole, the compilation of "kulak lists." These techniques, which were so well adapted to the collectivization campaign, lose much of their meaning in the new atmosphere. Again and again Communist leaders admonish their bureaucracy to cease treating the peasant as an "enemy" and everywhere but in Bulgaria it is now openly declared that the independent peasantry must be relied upon for the major portion of the agricultural produce.¹⁰ Violent anti-kulak campaigns must also be relinquished as long as the regimes are interested in agricultural production and not merely in agricultural redistribution. Therefore, the post-Stalin regimes call for "limitation" of the "kulak" rather than his "elimination."¹¹

5. Since increased agricultural production is the urgent and immediate necessity, and since increased administrative force cannot be used to obtain it, incentives for the peasant must be broadened. Delivery quotas are reduced; delivery prices are increased; taxes and fees of all sorts are lowered; and arrears in many categories are canceled. The pattern is nowhere identical; but in each country most of the same devices were employed.

"We must understand," said Berman, [that the new policy] "is going to cost a large sum of money. If the peasant gets this money but doesn't get any goods for it, including those which he

⁹ See, for example, the Bierut speech at the 2nd Congress of the Polish Workers Party (PZPR), March 10, 1954.

¹⁰ "We shall not and must not force anybody to join agricultural cooperatives, and we also do not think that the private farmer represents our enemy, we consider him our ally" (Czechoslovak President Antonin Zapotocky, *Rude Pravo*, February 23, 1954).

¹¹ See, for example, Gheorghiu-Dej, *For a Lasting Peace*, November 6, 1953.

really wants . . . there will be no increase in [agricultural] production.¹² Therefore, a dual policy of increased payment for agricultural goods and increased production of vitally needed farmers' commodities is instituted. 656 178 185 423

6. An attempt is being made to redress the balance so far as the concentration of techniques is concerned. A vigorous effort to detach technicians from cities and urban industries and to send them to farms for whose direction and assistance they were ostensibly trained, is being made in conjunction with the new plan.¹³ This is true everywhere in the Soviet sphere, especially in Poland the USSR, and Romania.

7. If the New Course is designed partly to consolidate the existing agricultural structure, it must be reevaluated in terms of long-range perspectives. Hence, those collective farms which have the least social stability and economic viability are permitted to return to the private sector. In Czechoslovakia, where some 40 per cent of the farms were not paying their own way, according to Premier Siroky, a small percentage of the farms were permitted to disband in the fall of 1953.¹⁴ In Yugoslavia, where hundreds of collectives in mountainous areas produced very little and served only as a drain on the State treasury, almost half of these farms have been dissolved since 1951.¹⁵ And in Hungary, where peasant dissatisfaction was so great that, even with a police-State normally equipped to handle discontent, it constituted an element of such basic instability that almost half of the collectivized households have left the "Socialist sector."¹⁶

Above all, the New Course represents an effort to stabilize and consolidate the system of relationships carved out by the East European regimes. The next few years are likely to witness a concentrated Communist effort to make a smoothly-functioning economic order out of the conquests already gained, rather than sweeping away present problems by posing future challenges, as they have done in the past.

The New Course does not, by any stretch of the imagination,

¹² The program of reinforcing the technical assistance to the countryside has encountered considerable resistance from the technicians themselves, and, indeed, in the USSR, the government complains that many technicians who go to the countryside refuse to take their families with them, so convinced are they that the new assignments are temporary (*Pravda*, November 27, 1953).

¹³ *Rude Pravo* (Prague), November 10, 1953.

¹⁴ *Borba* (Belgrade), February 29, 1953.

¹⁵ *Szabad Nep* (Budapest), December 31, 1953.

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 423 represent a repudiation of the agricultural organization pioneered by the Soviet planners in the early 1930s and brought to Eastern Europe in the late 1940s. The basic characteristics of this organization cannot be abandoned without the most thoroughgoing re-orientation of the whole economy. The New Course cannot therefore be compared with the New Economic Policy of early Soviet history. The NEP was declared before the Soviet industrial and bureaucratic system had been built, and a retreat to a relatively free market system was possible. The New Course, on the other hand, has been promulgated within the framework of an already fully-elaborated industrial and bureaucratic system, and the regimes can no longer rely upon the free market for agricultural produce.

Having built this social system and enclosed themselves within it, the East European Communists have lost much of the freedom of choice and flexibility which aided them so greatly in their post-war assumption of power. Therefore, they are subject to the internal laws of the system, and it is doubtful whether they can make a success of their efforts to reorient its basic relationships. The authoritarian order is well adapted to the leadership of a rapidly expanding heavy industrial, semi-military economy, but it is badly equipped to handle the problems of small-scale agriculture and consumer demand. In nine months of operation, the New Course has already made it clear that the greatest obstacle to stabilization of the Stalinist social order comes from the social order itself, and its voracious demands.¹⁰

Prior to the introduction of the New Course, it was widely assumed that the East European Communist drive to emulate Soviet achievements was inexorable, and required only time for completion. In particular, it was assumed that the Satellite regimes could not rest until collectivization was completed, as if the Communists could not face themselves ideologically with one independent farm remaining. But the events of 1953 have highlighted the degree to which Communist agricultural policy has been, from the start, conditioned by the bedrock economic needs of a developing social structure, rather than by the abstract demands of rigid doctrine. Indeed, even the Soviets, whose collectivized agriculture had attained the state of "near-perfection" and completion toward which

¹⁰ For an extensive discussion of internal bureaucratic resistance to the New Course see "The Bureaucracy Wavers," *News from Behind the Iron Curtain* (Free Europe Press, New York), January, 1953.

the East European Communists were striving, are in the process of readjusting the structure in line with the new political relationships.

No doubt the present *modus vivendi* between the peasantry and the Communist regimes is precarious and unstable, at best an uneasy truce between essentially antagonistic social forces. But there is good reason to believe that the Communists are determined to keep this mid-way course for some time to come, with only minor wavering within the ranks.

3. "Salami Tactics" and the New Course

The development of East European Communism since World War II has been dominated by the pragmatic methods of "salami tactics," the theory expounded by Hungarian ex-Premier Rakosi, which justified pursuit of any social or economic program that reinforces Communist political power. The advocacy of land reform facilitated Communist absorption of the State machine in 1945-46, and therefore became approved Communist "agrarian policy." Similarly, since advocacy of a productive middle peasantry may help to facilitate Communist retention of power in 1953-54, it has become approved Communist "agrarian policy." At each stage, the Communists speak as if no other policy had ever been considered, and as if no other policy could possibly be.¹⁷ As always, however, their primary concern is with power, and their ideological pronouncements tailored to suit it. The New Course is a development very much within the spirit of the "salami tactics" philosophy.

The success and failure of Communist agriculture policy in Eastern Europe may be attributable to these same "salami tactics." This strategem of slow suffocation made possible the seizure of power under circumstances unsuited to "classic" revolutionary forms; and it was well suited to a political apparatus incapable of a frontal revolutionary attack. The policy of slow, piecemeal land collectivization made possible the extension of the "Socialist sector" at a pace which did not arouse the united antagonism of the peasantry at any one time, thus avoiding the type of militant resist-

¹⁷ See above 91-2 for a brief discussion of official explanations of change in policy. Considering the importance of changes in policy emphasis in 1953, it is remarkable that the Communists have made so few attempts to analyze their past performances. The official definition of "Socialism" itself was altered during 1953 (see Fogarasi, *Társadalmi Szemle* (Budapest), September-October, 1953), and to this date not a single Communist theoretician has acknowledged the fact.

871 Austrian Galicia they underwent a great cultural revival in
563 the latter part of the nineteenth century, and this was the only area in which schools and universities using the Polish language could develop freely. The Polish population in Prussia lived under better educational conditions than did their co-nationals in Russia, but in both countries they were subjected to vigorous programs of denationalization.

871 The state of popular education in Eastern Europe is re-
212 vealed by illiteracy figures for the years 1920-21, before the new independent states had exerted an influence on education. The rate of illiteracy for males and females of school age and over was 7 per cent for Czechoslovakia, 15 per cent for Hungary, and between 30 and 40 per cent for Poland and Yugoslavia. The rate was between 40 and 50 per cent for Rumania and Bulgaria, and in Albania it was much higher. These figures may be compared with illiteracy rates of under 1 per cent for Great Britain and Germany, 6 per cent for the United States, and about 50 per cent for Russia.

[873] It is worth noting that the low level of literacy in most of Eastern Europe did not prevent the development of a high level of culture among educated persons. The universities of Prague, Cracow, and Budapest were the most distinguished among many of high level, and very significant contributions to European culture in the arts and sciences came from this region. The "intelligentsia," as those with higher education and professional skills were referred to, provided both the leadership of the national movements and the statesmen of the nations born at the end of the First World War. As individuals they were the equals of the political leaders of the great powers and included in their number many great Europeans.

566 Agricultural improvement, or the increase in produc-
423 tivity and in the welfare of the population dependent on
● 178 agriculture, is a complex process. In Eastern Europe, it involved in particular the release of the peasants from feudal

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servitude, the adoption of improved techniques of agricultural production and marketing, and the improvement of the lot of the individual peasant through land reform and the combined efforts of the landlords and the state. Most of European Turkey had never known feudalism in the Western sense, and the peasants of Serbia and Bulgaria emerged early as independent landowners with a sound understanding of their own interests. In many areas of Rumania, Austria-Hungary, and the Polish sections of Germany and Russia, however, the peasants were freed from feudal restrictions only to sink into a deeper misery, sometimes called "neo-serfdom," that stemmed from lack of capital and the resultant economic dependency on the landlords. As a consequence, while independent peasant political parties began to develop among the Czechs and southern Slavs shortly after the turn of the century, the peasants in Russia in 1905 and in Rumania in 1907 resorted to the desperate method of revolution. 566 423 178●

The agrarian backwardness that characterized the greater part of Eastern Europe was a great challenge to social and political philosophers, and it was not surprising that the First World War left in its wake attempts at radical solutions by leaders acting in the name of the proletariat or the peasantry. The recommendation of the economists, in the presence of this agrarian poverty and overpopulation, was that agricultural improvement be accompanied by the extension of industry and trade. In the areas where large landowners exercised full political control, this recommendation was not welcomed as the landowners tended to favor fiscal policies that kept the price of grain high and the peasant poor. In other areas, however, important industrial development took place. Thus, the Austrian provinces of Bohemia and Moravia, with their preponderant Czech population, accounted for a little over one half the entire industrial output of Austria-Hungary. This production included coal and 178 433

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● 178 iron as well as consumer goods and benefited by the large
433 market that the empire provided. Significant industrial development also took place in Hungary and in other parts of the empire. Similarly, in Russian Poland important industries were developed, but these suffered from the discriminatory policy of the Russian government and from the lack of communications.

457 Capital for the economic development of this region came
471 chiefly from France until the 1890's, when German and Austrian capital became increasingly active. In Eastern Europe in general, and particularly in the Balkans, loans had as much a political as an economic incentive. Since the credit of Serbia, Bulgaria, and Rumania was poor, the bondholders were able to insist on a variety of controls to assure payment. Although a substantial amount of this capital was used to finance armament and eventually wars, investments of permanent value were also made. Notable among these was the railroad from Vienna to Constantinople, completed in 1888, which with its branches formed the backbone of the transportation system of Southeastern Europe.

III

186 Collective security and economic interdependence, as
631 these terms are understood today, were certainly among the motives of the various plans for regional organization proposed for Eastern Europe in the century before the First World War. Yet the nineteenth century was for Europe an age in which war was the exception rather than the rule and national frontiers were not the barriers to trade and to the movements of peoples that they have since become. Although motives of power politics in the modern sense were always present, regionalism in this era was also concerned

186 had they not been broken or dangerously weakened by the
668 foreign forces of fascism and Communism.
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829 Czechoslovakia bears witness to this thesis. In Czecho-
slovakia, as in the other countries, there existed antiliberal,
178 reactionary, nationalist, and fascist trends which attracted
certain of the bourgeoisie and rich farmers. These forces
were held in check by the democratic thought and genuine
patriotism of a great majority of the nation, including the
so-called middle classes and the intelligentsia. Nearly every-
body followed the principles of the great democrat, Masaryk.
Conditions were more favorable to democratic liberalism
in Czechoslovakia than in the other Eastern European coun-
tries, because this nation was highly industrialized, even in
agriculture, because her social structure was happily bal-
anced between industry, agriculture, and bureaucracy, or
intelligentsia, and because the cultural level of her people
was high. The middle classes, strong in numbers and in
social value, and the progressive farmers, who owned middle-
sized farms, were reliable support for the liberal democratic
regime. The Social Democratic Party, headed by Hampl,
Bechyně, Meissner, and Dérer, was influenced spiritually
far more by Masaryk than by Marx. The Agrarian Party had
liberal-minded leaders among whom Antonín Švehla and
Milan Hodža proved to have statesmen's abilities. The
Catholic Party, under the wise leadership of the great pa-
triot Jan Šrámek, was progressive in social matters. In
Slovakia the process of democratization met with greater
difficulties. Slovakia, because of its agrarian structure, re-
sembled the other Eastern European countries more than
it did the industrialized Bohemia. However, the transforma-
tion of Slovakia into a democratically functioning part of
Czechoslovakia proves that other Eastern European coun-
tries could have developed in a similar way had democracy
been given enough time to exercise its influence upon them.

It is certainly to the credit of Czechoslovakia that she

continually improved her democratic regime during the 829
 twenty years of her existence and that her democracy was 178
 destroyed only by an attack from without by Nazi Germany.
 Nevertheless, the other countries of Eastern Europe, economically, socially, and culturally less progressive, cannot be blamed if, in the antiliberal climate of the '30's, they were unable to develop into genuine democracies. The people in these countries did not long less for freedom and for social progress than did the people in other parts of Europe or on other continents. If the unremitting struggle for freedom of the Eastern European countries and their difficult geographic position were kept in mind, the liberal striving of these countries and their aptitude for democratic development would be judged more favorably than is sometimes the case.

In Germany, which was probably economically and technically the most highly developed country on the European continent and which had a high cultural and social level, liberalism was no more influential than in the agrarian countries of Eastern Europe. It was certainly infinitely weaker than in Czechoslovakia. In Germany and in Italy, democracy did not succumb to foreign, but to internal, anti-liberal forces. In Russia, liberalism undoubtedly was far weaker than in Eastern Europe.

IV

The development of liberalism in Eastern Europe in the 829
 period between the two wars shows clearly that this force was far stronger there than in Germany, Italy, or Russia, and that it attained real success in Czechoslovakia. There were conditions in Eastern Europe that favored the development of liberalism into an influential spiritual, political, and social movement. The most promising forces in this regard were the striving of these nations for freedom

6

Peasantism: Its Ideology and Achievements

BRANKO M. PEŠELJ

I

That part of Europe which lies east of the Danzig-Trieste line is often referred to as "peasant Europe." This term indicates a twofold concept: Economically, "peasant Europe" stands for that part of the continent which is devoted primarily to agrarian production under the system of small and medium holdings and in which farming represents a tradition, a civilization, and a way of life. Sociologically and culturally, the term "peasant Europe" denotes an area in which by far the greatest portion of the population is peasant and forms a group whose economic, social, and cultural aspects have been genuinely preserved. 181 101

The differences between Eastern and Western Europe were less noticeable a hundred years ago than they were at the end of the Second World War. The industrial revolution which swept Western Europe in the second half of the nineteenth century generated profound economic and social changes over the continent as a whole, and contributed to its division into two distinct sectors. A consequence of this partition was the creation of unique social and economic conditions in Eastern Europe. These conditions, in turn, pro- 178 ●

- 178 voked political and social movements, such as had never been known in the West, and which expressed the distinctive socio-economic programs and political and social philosophies of the area.

565 Before any analysis of these peasant movements can be undertaken, it will be necessary to examine their human element, the peasantry. There are three points which are of most significance to this discussion: first, what is a peasantry; second, what are the differences between a peasantry and the rural population of the West, usually known as farmers; and third, what are the special characteristics of the Eastern European peasantry which have justified and made possible its separate political organization.

565 829 Despite the fact that the peasantry still represents a considerable majority of the world's population, a uniform definition for it cannot be found. The reason for this is the different approach of various social and economic schools to the peasant problem. While the Marxists consider the peasantry from a purely economic point of view, evaluating this group only in the system of socialist production, liberals believe that there are aspects to the peasantry besides the economic which should be considered. The liberals point out the importance of the peasant's relationship to his land and the influence of his environment upon him. They realize that there are two elements, the sociological and the cultural, which are of great and equal significance in appraising the peasant society. The sociological element includes the individual's family life, the customs, traits, and trends of neighborhood and village communities, and the peasant's attachment to religious and other traditions. These traditions are upheld by a special type of "progressive conservatism." The cultural element includes all such features as folk songs, folk customs and habits, and so forth, which have developed independent of the cosmopolitan civilization.

In view of the foregoing, the peasantry may be defined

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The liberation of the peasantry was a consequence of the demands of the new liberal movement and was one of the achievements of the liberal regimes which gained momentum on the Continent after the Napoleonic era. This European liberalism had been a result of the struggle of the bourgeoisie against the old political and economic order upheld previously by the aristocracy. It originated in the theory of natural rights, as interpreted by French political philosophers of the eighteenth century, and included in its doctrine the postulate of political, economic, and social freedom and equality for all individuals.

However, it would be wrong to assume that the formal liberation of the peasantry was an immediate result of its emulation of other classes of society, in particular, of the bourgeoisie. On the contrary, the struggle for the realization of peasant rights had still to be fought.

The ruling regimes imposed political restrictions that were usually based on the tax census system and barred large masses of the peasant population from their right to vote in parliamentary elections. In many of the countries, it was not until the end of the First World War that complete franchise was granted to the peasantry.

Economic freedom, as advocated and practiced by liberalism, soon began to undermine the foundations of the peasant economy. The peasantry, which under feudalism had paid most of its rents and other fees to the landlord in natural produce, was placed suddenly in the midst of a complicated money-economy in which the autarkic arrangements of the peasant-familistic economy were no longer valid. Peasant land, which throughout centuries had changed little in price or in value, was suddenly submitted to wide fluctuations in value as a consequence of the rapid development of the communication system and the erection of industrial plants. The appearance of a money-economy created the necessity of establishing an appropriate credit system which heretofore had been lacking completely in the peasant orbit. The state,

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641 however, following its policy of economic freedom, did not
565 deem it necessary to intervene in this problem, and left the
178 peasants open to the merciless exploitation of private banks
and usurers. Economic individualism, accentuated by liberal-
ism, induced individual members of the large peasant family
groups, known among the Southern Slavs as *zadrugas*, to seek
their economic independence. This process provoked a hasty
and uncontrolled parcellation of the peasant land and con-
tributed further to the economic weakness and inefficiency of
the peasant system of farming.

The solemnly proclaimed social equality of the peasant
was a farce. The ruling groups, derived from the bourgeoisie,
the newly created bureaucracy, and the remnants of the
aristocratic elements, looked upon the peasants with con-
tempt and mistrust, considering them, although necessary
to agrarian production, neither fitted nor qualified to take
part in politics or public affairs. Social inequality was ex-
pressed both by the attitude of dominant ethnical groups to
the "peoples of lower categories" and by the division within
these groups between intelligentsia and the common people,
or peasants.

Obviously, remedies were sought to correct the adverse
conditions created in the liberal era, but before these are dis-
cussed, it is necessary to credit liberalism for those ideas and
measures which, in principle, were universally accepted by
the masses and which made possible their political organiza-
tion. Generally speaking, the ideas of political freedom and
of general education and a belief in the individual's capabili-
ties were the stimulating forces behind the organization of
the people. However, these ideas did not save liberalism, but
prepared the road for its destruction.

829 The first reaction to the flaws in liberalism was the appear-
ance of the "scientific socialism" of Karl Marx. It is important
to note that this philosophy was conceived exclusively for
the newly created industrial proletariat. The peasants, if

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Industrial and Social Policies Between the Wars

GEZA TELEKI

101 Eastern Europe, from the Baltic to the Aegean, is
175 a security zone both for the states of Western Europe and
● 178 for Russia. Besides acting as a safety valve for neighboring
powers, this region is a passageway between them. Military
and population movements fan out from here into the East
or converge into the West.

Both West and East have accused this part of Europe of being unstable and backward. Both have wanted to influence it and have not wanted to admit that the backwardness, confusion, and instability of this area are in large measure due to power politics. Tribes, peoples, and states have changed and have been changed in this region throughout the centuries. As a result, there is no stability of boundaries, or of peoples and governments. The evolution of the region can be viewed as a mirror which reflects the history of Europe with all its quirks and irregularities.

Although both world wars began in Eastern Europe, it would be absurd to claim that they were caused solely by these nations and their problems. The social, economic, and political interests of the great powers which clashed in this area and influenced its peoples played an important role in the course of events in Eastern Europe.

Because of this situation, the different peoples of this region turn three different masks to the world. One is always turned toward the West, one toward the East, and one is used for the stage show that these peoples put on for each other. If a nation of Eastern Europe takes off its mask, it may disappear from the stage forever. This is an important point to keep in mind in trying to understand the evolution of these countries. 101/178 ●

Another important factor in the history of this region is that all the important ideologies and social revolutions have moved from West to East. Nationalism and the abolition of serfdom reached Eastern Europe in the nineteenth century. Industrialization advanced eastward at the end of the nineteenth century and during the first half of the twentieth. The closer a state was connected with the West, the sooner its transformation took place, while the other states were forced to develop in a comparatively short time in order to maintain their status as equals.

I

As a result of the Treaty of Versailles, everything changed in this area of constant change—boundaries, minorities, administrations, politics, and economics. In spite of these changes, and this is most important, the Eastern European countries remained predominantly agricultural. 178/162/241

The proportions of populations dependent upon agriculture in the several states within a decade after gaining full independence were as follows: Albania, 80 per cent; Bulgaria, 75 per cent; Rumania, 72 per cent; Yugoslavia, 76 per cent; Poland, 60 per cent; Hungary, 51 per cent; and Czechoslovakia 33 per cent. In contrast to these figures, the percentages of gainfully occupied males in industry in the same period were: Bulgaria, 13 per cent; Rumania, 11 per cent; Yugoslavia, 14 per cent; Poland, 22 per cent; Hungary, 26

● 178 per cent; and Czechoslovakia, 41 per cent. Thus it can be
162 easily seen that, with the exception of Czechoslovakia whose
241 industry was the most developed in the region, the coun-
tries of Eastern Europe were predominantly agricultural and
peasant in nature. Yet despite the predominantly peasant
character of these countries, the peasants as such had rela-
tively little political influence.

178 Although there was an increase in the output of agricul-
241 tural goods in all these countries between 1918 and 1945,
511 the competition offered by overseas cereals strongly affected
the agriculture of Eastern Europe. Cereals, one of the major
products of the region, had to be undersold to Germany.
Added to this unfortunate situation, the world depression of
1929 came as a terrible blow to the economy of Eastern
Europe, the most disastrous years lasting from 1931 until
1934. Industry, with its frequent cartels, was better able to
defend itself than was agriculture, and thus the "price scis-
sors," or the disparity between agricultural and industrial
prices, cut mostly into the income of the agricultural popu-
lation. This resulted in a general lowering of both the pur-
chasing power and the standard of living. Loans at high rates
of interest were frequent and taxation increased the poverty
of the peasants. These, as the major element of the popula-
tion, pressed heavily for reforms and spread malcontent in
their respective countries.

185 Soon after the First World War, some states realized that
167 the solution to this situation was industrialization. Emigra-
433 tion, as a possible solution, was not favored in any of the
Eastern European states as it would have decreased man-
power. Since war was considered more or less imminent
after 1933, military and industrial groups were especially
opposed to any large-scale loss of population, although emi-
gration was never prohibited by actual government order.

185 Bohemia, which had been in a highly advantageous posi-
433 tion in the industrialization program of Austria before the

INDUSTRIAL AND SOCIAL POLICIES BETWEEN WARS 135

First World War, was the only well-developed industrial region and provided the foundations of the industrial economy of Czechoslovakia. Poland and Hungary had some valuable industries which aided their development considerably. In the other states, industrialization made slow progress and often operated on an unsound basis. Many plants were erected, the products of which were not related to the needs of the respective countries. National welfare was often neglected and industries were built for the enrichment of a few individuals. Not even mining was efficient. Mines were exhausted or were reopened mainly on the basis of sudden export needs and with no thought that the industries might convert the mineral raw materials into consumer goods. Hungary, where bauxite was sold to Germany and aluminum was repurchased at a high price, offers an excellent example. 185
433

Mining, metallurgy, heavy industry, and textiles were favored but they were not related to the purchasing power of the masses or to the production of raw materials. Because of the low production of textile raw material, large textile plants were run on imports. Cereals, livestock, and other agricultural goods were exported to balance the budget. Thus, much of the capital had to be spent on transportation expenses. The attention paid to agricultural industry was insufficient despite the fact that mineral raw materials, agricultural products, and timber were assets upon which a satisfactory program of industrialization could have been based. 433

The causes for this situation are to be found in the political instability of Eastern Europe and in the lack of sufficient skills and resources. It was a region of wars and insecurity where little nations faced each other with mistrust and fought each other as fiercely as they did the outside powers. Industrial policy between the two world wars was dependent on power politics. The policy of economic self-sufficiency, or autarky, was engendered by nationalistic se- 648
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● 178 pirations mostly in order to develop a modern industry capable of meeting war needs.

The assumption that work invested in industrial development would improve economic conditions was a decisive factor in influencing states to industrialize. This assumption was particularly valid in regions with climatic extremities and little arable land. Some of the means used to foster industrialization were technical education, customs, embargoes, tax exemptions, monopolies, favorable credit policies, and provisions protecting the joint interests of domestic industries. The assembly line system, as influenced by the United States, was started in the industrial sector in the '30's.

Branches of industry requiring specialized skill were developed mainly in Czechoslovakia and Hungary, but they did not attract many from the surplus peasant population which still preferred unskilled jobs. The competition, such as it was, for unskilled jobs resulted in a low wage level. Therefore, the increase in purchasing power was gradual. Peasant poverty and the lack of skill and capital were the fundamental problems facing industrialization programs and the new governmental economic policies.

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439 The general poverty was further increased by the fact that the small Eastern European countries were debtor states. The solvency of Czechoslovakia was dependent on the export of industrial goods, while other states depended upon agricultural exports or, as in Rumania, upon mineral raw materials and lumber as well as on agricultural goods. Foreign debts, incurred before and after the First World War, weighed heavily on the budgets of the individual countries. Only one half of the debts were repaid during the interwar period. Foreign loans were given too often on the basis of political considerations. The boundaries erected by the 1920 peace treaties had already broken up natural economic and geographic areas, and the disproportionate lending policies of foreign powers hindered the uniform economic development of East-

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439 been, considering the size and population of these countries. Although they comprised roughly 25 per cent of Europe's area and population, excluding the European part of the Soviet Union, they handled no more than 10 or 11 per cent of Europe's exports and imports. About one third of the trade of the Eastern European area was purely regional. With the exception of Albania which traded mainly with Italy, Eastern Europe's trade list was headed by Germany, followed by the competing states of Austria, Great Britain, and the United States. The predominance of Germany became even greater during the war years. Trade was one of Germany's most important means of influencing the political, social, and cultural life of this region.

II

- 179 By 1918 the countries of Eastern Europe had reached different stages of social evolution. In Poland and Hungary the aristocracy had preserved considerable power in spite of a rising intellectual bourgeoisie. In Rumania and Croatia the power of the aristocracy had been wiped out by the land reforms and leadership had been taken over by a commercial middle class. In Czechoslovakia a strong bureaucratic and commercial element had risen to leadership. In the Baltic states, also, it was mainly the commercial class which had ascended to leading positions. Yugoslavia, Bulgaria, and Albania had no aristocracy and only a small intellectual bourgeoisie and commercial class.

369 It was generally from the rural stratum of village teachers, priests, station masters, and notaries that the new bourgeoisie and the ruling class arose. The children of an educated father, who was able to secure a better place in society, had a better chance of entering a university—the sanctuary as much of social position and status as of knowledge. However, those who succeeded in obtaining graduate and other degrees in

154 CHALLENGE IN EASTERN EUROPE

185 with the Soviet master plans. The captive nations were al-
433 lowed to preserve the external attributes of sovereignty and
their governments were granted an advisory voice in the
preparation of these national plans. But the supreme control
of the plans remained in the hands of Moscow, and their
primary goal was, and is, rapid industrialization.

II

• 178 The possibilities of industrialization in Eastern Europe
are considerable, but obviously not unlimited. They depend
on the availability of manpower and its technical know-how,
on industrial raw materials and machinery, on capital needed
for investments, and on markets capable of absorbing the
products of the new industries.

464 Before the last war, five million persons were employed
in the mining and in the medium and large manufacturing
industries of the six major countries of the area. Today this
number exceeds nine million. There is a shortage of labor,
both skilled and unskilled, in Eastern Germany and in the
Czech part of Czechoslovakia. The reserves of manpower—
land laborers, dwarf-farm owners, and married women—are
limited in Hungary and the Slovak part of Czechoslovakia,
large in Poland, and even larger in Rumania and in the three
Balkan countries. The areas where labor is short coincide to
a large degree with those of low natural increase of popula-
tion, and vice versa. In the first period of reconstruction after
the war, there was in many parts of the area a movement of
369 the population from the villages to the towns in search of
464 urban, not necessarily industrial, employment. For instance,
166 in Poland alone, two and one-half million persons moved
into towns during the first seven postwar years. This move-
ment is now over, as well as the postwar enthusiasm for re-
construction, and the governments have to recruit new work-
ers by propaganda and sometimes by half-coercion. Unless

condition attached to such a speculation. Were the West to deny the principle of industrial transformation of these countries and to envisage their 'return to pastoral status,' the new managerial class together with the working class would range itself automatically against the West. 565

VI

The economic and social revolution which these countries have undergone has been imposed on them very largely from the outside. It has been successful because it was backed by the whole strength of a great military empire but also because the material and moral ravages of war and German occupation had shattered the prewar fabric of society and exposed its structural weaknesses. The society which is emerging from this revolution will be very different from the former one. Even if a true liberation of this part of Europe were to occur, the restitution of many old forms of life would not be feasible. The greatest harm that the captive nations have suffered and will suffer through the imposed revolution are the inflictions upon the souls and the minds of the people. Gradual de-Christianization, loosening of family ties, fear and distrust of political authorities and of the neighbor, Russification and falsification of national past, coarsening of manners, and the awful deposit of lies and prejudices of propaganda and non-technical schooling: all these are weapons which are levelled upon the minds and souls of the people. The undoing of these moral effects of Communist policies could only be gradual, and it would take a long time. 178

In the social and economic fields, the effects of Communism have not been so uniformly somber. That goods can be produced under Communism has been learned from Russian precedents. That Communism cannot assure to the people a decent standard of living is a fact that cannot be denied by any amount of propaganda, and it is also true that 433

178 never in the last century have so many people worked so hard
433 for such meager rewards. However, in the social field, the extension of social services and of technical education can be credited to the Communist regimes. In the economic field, although the tax on the people has been almost unimaginably great, it must be admitted that the badly needed industrial development of formerly rural areas of Eastern Europe is due to the Communists.

178 The latter point needs clarification. The Wilsonian East-
433 ern Europe of 1918 inherited from Austria-Hungary, im-
369 perial Russia, and the old primitive Balkans an obsolete social structure of rural overpopulation and poverty due to insufficient industrial and urban development. The Czech lands, Polish Silesia, and a few lesser industrial regions were exceptions to the general structure of the area. Left to themselves by the indifferent West, having undergone the shock of the depression as only rural states can suffer it, the free nations of the area, again with the exception of Czechoslovakia, could in the interwar period neither solve their grave social problems nor defend themselves in the hour of danger. The existence of a poor and defenseless group of nations in the heart of Europe surrounded on East and West by two highly industrialized powers was an anachronism and an indirect invitation to aggression. After the disintegration of Eastern Europe between 1938 and 1941, the causes of this disaster were examined by thinkers of many nations, and many of them came to the conclusion that the disaster was inevitable not only because of the political disunity of this area but also because of its economic and productive inferiority. Rural societies had no chance of survival in the heavily armed world of the late '30's if only because they were unable to produce the weapons with which they could have deterred aggression effectively. The awareness of this fact has deeply influenced the political thinking of the nations concerned. It is inevitable that the Poles, to take but one example, should

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reflect that, had their country had a sufficient industrial basis 178*
in 1939 to equip ten armored divisions for which she had 483
enough trained manpower, her loss of independence and 369
many other events in modern history could have been pre-
vented.

The present industrialization of Eastern Europe is gradu- 178
ally eliminating this handicap of the past. To be sure, the 661
increase of the industrial potential of these countries lies in 185
the interest of the Soviet Union in its own military preparations 648
tions. The men in the Kremlin may dispose as they wish of
this area's industrial plants together with all its human and
material resources with the single exception of the spirit of
its peoples. From the standpoint of both the immediate and
long-range interests of the West, any addition to the wealth
or the strength of Eastern Europe is unwelcome so long as
the latter remains a part of the Soviet bloc. These countries
are of course aware of this situation, but they have to think
also about their future. They hope that one day the Iron
Curtain will be lifted and they know that at that time they
will need all their new industrial wealth in order to cease
being an area of social unrest and a target for exploitation
by powerful neighbors as well as a hotbed for world wars.
Nobody has disputed the right of Russia to evolve into an
industrial power. No one can expect the countries of Eastern
Europe to relinquish their hopes of freedom and their rights
to prosperity which, in the light of their past, are linked to
the modernization of their economic structure. Wendell Will-
kie said during the last war that "Only the productive can
be strong, and only the strong can be free." His words apply
to all nations alike. The nations of Eastern Europe are poten-
tial allies of the West. Those who earnestly desire a better
world should bear in mind that the lasting interests of these
friendly nations transcend their temporary position as Rus-
sia's enforced associates.

overwhelmingly peasant character, its political apathy and 175
military weakness.

Today, in the middle of the twentieth century, most of 176 •
these conditions have been transformed. All the peoples of Eastern Europe have literate majorities. They have native professional and middle classes. All of them have at least some more or less modern industries and transportation systems. All of them have had two or three generations of broad national and political development, a flourishing of national languages and literatures, and a vigorous growth in native political participation. They have memories of national independence and skills of political organization and action. They can no longer be ruled by alien rulers, and even the Russian dictatorship must deal with them by indirect methods. The peoples of Eastern Europe today can be governed stably only by native political administrations, by native civil services and school systems, and by the appeal—however distorted—to native symbols and traditions, or they cannot be governed at all.

All these changes seem to be irreversible. It would be as difficult to restore illiteracy, apathy, and fundamental ignorance to the peoples of Eastern Europe as it would be to restore the economic and social institutions of 1853. If history teaches us anything, it is at the very least that the distribution of political and military power is subject to rapid change and that every submerged people that has preserved its identity and its capacity to think and act may well expect to find again some opportunity to determine its own destiny in freedom.

II

Yet all was not well with the growth of sovereign states 641
in Eastern Europe. Perhaps the most characteristic feature of the political institutions of the area was the widespread

of their businesses for the purpose of retiring from business themselves, rather than for expanding their productive equipment. 433

While productivity grew slowly, public health measures were effective and birth rates remained high. Throughout most of the region, the population pressed upon the limited supply of land and on the limited productivity of existing agricultural methods. At the same time, the lagging growth of towns and industries did not absorb completely the increases in population. The results were underemployment in the towns and industrial districts, hidden unemployment in the rural areas, and a general cheapness of human labor. While labor was thus abundant, and was often wastefully used, the skills of most workers remained low, and there was little incentive to improve them. Since capital goods and capital were scarce, there were fewer opportunities for engineers and applied scientists. And since universities, public administration, and banking had become modernized, there were ample employment opportunities for civil servants, clerks, lawyers, teachers, and research scientists. 464 433

The result was a startling precocity of Eastern European intellectual life. First-rate university training was fairly widely available throughout the region. Food, land, and domestic services were relatively cheap. Civil servants, intellectuals, and members of the professions had high prestige socially, and they found no severe economic difficulty in maintaining their families and sending their children to universities. While the top-level jobs in commerce, civil service, and universities under the Austro-Hungarian monarchy were perhaps somewhat more easily accessible to persons recruited from the German or Jewish minorities, there were some opportunities for careers for men of outstanding talent from all national backgrounds. Czech scientists reminisce today about the remarkable generation of Czech and Slovak intellectuals and scientists who made their careers during the last thirty 178 563

178 years before the First World War in the Austro-Hungarian
563 monarchy. At the same time, there was relatively little competition for the services of men of high talent on the part of industry, applied science, or practical politics, since all of these activities remained relatively underdeveloped.

578 The coincidence of intellectual precocity with widespread
565 social and economic backwardness led to widespread experiences of frustration. Intellectuals, not unlike the ancient philosopher Plato, dreamed of equalling one day the power and prestige of the aristocracy, for which they lacked the land holdings and family connections; and they dreamed of equalling the comforts and securities of the bourgeoisie—the upper middle class—without either owning a bourgeois amount of property or devoting a bourgeois proportion of their time and attention to money-making or to business matters. They resented the influence of the church and the clergy in the rural areas, without being either willing or able to devote a major part of their own time and attention to the needs of the country population. Almost all classes of society had come to desire Western standards of income, comfort, security, and power, without possessing as yet either the means or the skill necessary to produce them. And all these discontented groups and individuals, pushed forward by the fundamental incongruities in their social evolution, turned to politics and to the state as a remedy for their frustrations.

IV

186 Under these conditions, no type of government and no
631 size of political unit could for long live up to the rising level of popular expectations and the increasingly pressing demands of society. Already, before the year 1914, large states as well as small, national states as well as international, became increasingly strained by social tensions.

In a supra- or multinational state, such as the Austro-

Hungarian monarchy, an obvious reaction of the population to prolonged social and political disappointment was an increasing demand for national freedom. The sovereign nation-state would give the Czechs a fuller opportunity for careers for their young people and a more worthy share in determining their own destiny. A nation-state centered on Hungary would give Hungarian industries the protection they wanted and would free Hungarians from the delays and frustrations of the imperial relationship to Austria. The national state uniting Slovenes and Croats with Serbia would help these peoples at long last to make real headway in escaping from their backwardness. During these same years, the peoples in the small national states of the region dreamed of escaping from the compromises and frustrations of their own small-scale political existence by national expansion into some greater and victorious power in their own area. Serbians and Montenegrins came to hope that their lives would somehow improve once Bosnia, Herzegovina, Slovenia, and Croatia had been joined to their own territories in a new Yugoslavia. Bulgarians, Greeks, and Serbians all came to believe that somehow their own lives would improve significantly if all or most of the territory of Macedonia were added to their respective countries. 186 631

Throughout large parts of Eastern Europe, the burdens and demands put upon the existing governments thus exceeded the capabilities of those governments and of the states they represented. The Eastern European states, large and small, were thus becoming overcommitted politically, economically, militarily, and socially. Among their peoples this situation encouraged the belief that things would become better once the size of political units in their region was changed. Citizens of small national states such as Serbia hoped for improvement from expansion. Citizens of large states, such as some of the Hungarians or Czechs in Austria-Hungary, began to wonder whether their position could not 186 178

- 186 be improved by secession. All of them thought that they could
 • 178 improve their position by finding that exact size of political unit in which their own language and their own national culture could be made to predominate and in which their own nationality or ethnic group could be turned into the leading class or social and political elite.

Nationalism in Eastern Europe was thus a reaction to the rapid diffusion of Western claims and to the expectations of security and opportunity throughout a group of societies that were only slowly, if at all, acquiring the productive skill and equipment to satisfy them. National secession, national expansion, and the national state appeared to almost all nationalities in the region as plausible short cuts to the prosperity, power, and prestige they all desired.

- 178 In the course of events, the experiment was actually made.
 433 The Austro-Hungarian monarchy was destroyed and a number of successor states arose from its remains. There is no
 641 doubt on the whole that the emergence of these national states represented a significant step forward toward higher levels of popular participation in public affairs; toward political democracy, toward popular education; and even, in some respects, toward greater economic opportunities. But at the same time it seems clear that the change in the size of political units did little or nothing to come to grips with the fundamental causes of the poverty and backwardness of the region, or with the fundamental sources of its peculiar psychological and political frustrations and resentments. National and regional markets and consumer preferences remained as small and as unfavorable to mass production in the new states as they had in the old. Capital remained as scarce and productive investment as uneven and erratic as before.
- 178 Tools, technologies, and work habits changed slowly if at
 [735] all. Poverty persisted. Purchasing power remained low and
 464 prices high. Production remained scattered over many small and inefficient factories. Innovations were accepted reluc-

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tantly or not at all. Unemployment became worse than it had ever been.

Thus social tensions persisted or grew worse. Sometimes they appeared as growing tensions between left and right, with the political middle-of-the-road parties increasingly threatened by fascists or by communists. Sometimes they appeared as tensions between different nationality groups, such as between Serbians and Croats or between Czechs and Germans. Often the same angry and frustrated individuals could be found backing communism in one year, extreme nationalism in another, and some more or less supranational fascism in a third. Whole districts voted for right-wing radical candidates in one election and for left-wing radicals in another. Nationalism in Eastern Europe was thus the symptom of a more fundamental maladjustment, even though nationalistic policies, once adopted, often served to make this maladjustment worse. Nationalistic governments, as well as most other governments in this region, were becoming increasingly unpopular and during the 1930's showed increasing reluctance to face their own voters. By 1939, before the first German or Russian soldier stepped on their soil, every country of Eastern Europe, with the exceptions of Finland and Czechoslovakia, had succumbed to some form of dictatorship. Nationalism had thus failed to cure the fundamental maladjustments of Eastern European political and economic life. From some points of view its failure was hardly less shattering than the failure of the supranational empires that had preceded it.

It was nationalism which first undermined and in part destroyed the traditions of property and the respect for property in Eastern Europe. This attack against property began as early as the era of Prince Bismarck in Germany. The so-called Polish legislation sponsored by the German government and by the German nationalists during and after the Bismarck era showed scant respect for the property